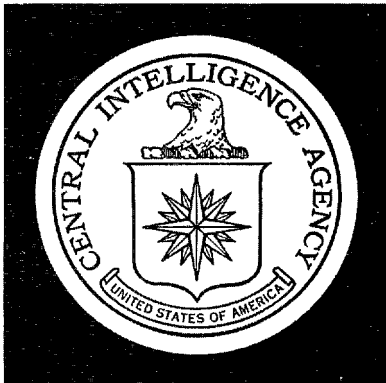


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25X1 [South Vietnam: The enemy shelled allied military installations in widely scattered locations on 20-21 April.]

[The militant Buddhist agitation campaign against the Saigon government, which was begun shortly after militant Buddhist leader Thich Thien Minh was given a ten-year sentence for hiding Viet Cong personnel, appears to be losing its momentum.]

[Militant "prayer meetings," which had been held each week since Minh's conviction in mid-March, have reportedly now been suspended, at least temporarily. Moreover, the tentative steps initiated in late March by the rival militant and moderate Buddhist factions to increase their cooperation have been broken off.]

[The militant Buddhists will almost certainly continue to agitate against the government, focusing on any new measures which appear restrictive, but reaction to the Thich Thien Minh affair at least now appears to be dissipating.]

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Korea: [Pyongyang continues to refrain from public comment on the US response to the shootdown on 15 April.]

[General South Korean reaction has been more restrained than in the cases of the attempted assassination of President Pak by North Korean agents and the seizure of the Pueblo, and commentary on the incident is tapering off. The Seoul government seems to be making a deliberate effort to moderate public reaction and to present itself as a responsible ally of the US.]

* * * *

[Soviet First Deputy Foreign Minister Kuznetsov made an oral statement of concern to the US ambassador yesterday about the concentration of US forces in the Sea of Japan, "not far from Soviet borders." He claimed that this raised tensions not in US-USSR interests, and voiced the desire that the US exercise restraint over the incident. Kuznetsov said he saw no need to publicize the demarche, which was followed by a similar remonstrance in Washington by Soviet Ambassador Dobrynin.]

[Although Moscow apparently believes that some comment is called for because of the increased US naval forces in the Sea of Japan, this low-key presentation reflects its effort not to exacerbate existing tensions.]

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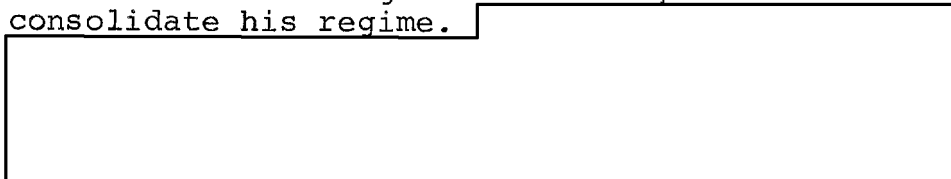
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Czechoslovakia: The Husak leadership, so far, has been tolerant of hostile student demonstrations.

Authorities made no attempt to interfere yesterday when students in several cities in western Czechoslovakia conducted quiet sit-in strikes on their campuses. The student parliament in Prague, which represents the students in the city's universities, colleges, and higher technical schools, also met yesterday to decide whether to conduct more non-violent strikes to protest the fall of Dubcek and other progressive leaders.

Student leaders have mixed emotions about the Husak administration and some of them are supporting a "wait-and-see" attitude. A concerted anti-Husak manifestation, therefore, is probably unlikely, unless the young people are provoked. Husak, in turn, seems to hope that a "hands off" policy toward the demonstrations--as long as they are peaceful and confined to school grounds--will give him time to consolidate his regime.



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European Communities: [An important step to strengthen trade union organization in the community is expected this week at the general assembly of the European Trade Union Secretariat.]

[The secretariat--to which the ICFTU-affiliated trade unions of the Six belong--will reportedly be transformed into a "confederation." Decisions in the confederation will be taken by a two-thirds vote, thus denying any affiliate a veto. Improved financing will also be sought.]

[The European trade unions, which have long been seeking a more influential role in community affairs, are being pushed together by common frustrations over the community's limited activity in the social and labor field and by the stagnation of the community as a whole. Moreover, they want to strengthen their hand in dealing with multinational corporations.]

[A European labor confederation with industry-wide bargaining is still some distance away. Revitalization of the European integration movement, and, in particular, British participation are probably prerequisites. A closer rapprochement with unions affiliated with the World Confederation of Labor--formerly the Christian International--may also be necessary.]

[Free trade union relationships with the Communist-dominated organizations in Italy and France are also a problem and could develop into a hot issue at this week's session. The assembly is not likely to reverse the secretariat's previous policy of noncooperation with the Communist unions, but, aided by the recent official recognition of the Italian and French Communist unions by the EC Commission, pressures are growing for a change. A Belgian free trade union leader has argued, for example, that the relative weakness of the free trade unions in Italy and France will require the new confederation to come to terms with the Communists if it is to achieve its objectives.]

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Western Europe: [Science ministers representing the members of the European Launcher Development Organization (ELDO) have settled a financial dispute that had produced a four-month stalemate.]

[Britain caused the crisis in ELDO when it announced last December that it wanted to be relieved of its financial commitment to the program after 1969. Italy, already two years in arrears, simultaneously announced that it might not pay its 1969 dues. The December conference ended without agreement, and ELDO has since functioned on a shaky month-to-month basis.]

[Last week the ministers, meeting in Paris, granted Britain's request, reducing its contribution by \$14.4 million, and Britain is effectively withdrawing from ELDO at the end of the year. The British agreed, however, to continue to make their Blue Streak launcher available to the organization. Italy's contribution will be reduced by \$11 million. While ELDO will have no obligation to place future contracts with Italian industry, Italy wants to continue to participate and will retain members on the ELDO staff.]

[France, West Germany, and Belgium--which together with the Netherlands are the remaining European members of ELDO--will put up additional contributions required by the British and Italian reductions. There is a chance that other combined space ventures will suffer as a consequence.]

[By seeing the current ELDO program through to its conclusion (1970), Europe will have retained its option to proceed independently if it finds either that the US terms for reimbursable launchings are undesirable or that feasibility studies for future ELDO programs are encouraging. The direction of its future programs will depend on the results of current INTELSAT discussions and on the European reading of US willingness to provide launchings for European satellites.]

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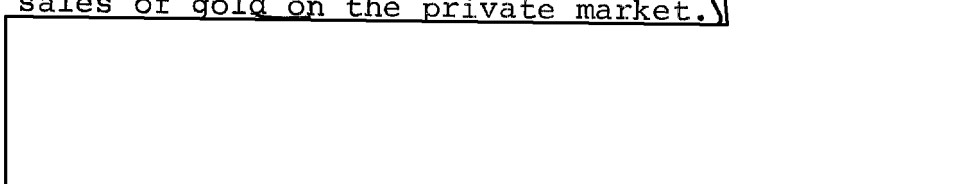
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South Africa: [Pretoria has covered its balance-of-payments deficit for the first quarter of 1969 by selling gold and by exercising its drawing rights with the International Monetary Fund.]

[The January-March deficit is estimated to have been about \$200 million. Gold sales during that period--roughly three fourths of them on the private market--reduced the deficit by about \$100 million. Sales of gold during the first two weeks of April further cut the deficit by some \$30 million.]

[Last week South Africa drew \$66.2 million from the International Monetary Fund. This action points up South Africa's need for foreign exchange as well as its desire to finance as much of its payments deficit as possible without substantially increasing sales of gold on the private market.]



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Nigeria: No progress toward a negotiated settlement of the civil war was made at the meeting on 18-20 April in Monrovia of the OAU Consultative Committee on Nigeria. The meeting broke up when the Biafrans refused to agree that peace negotiations be held within the context of a "united Nigeria," involving, in effect, Biafra's renunciation of secession. The committee's release of a statement explicitly blaming the Biafrans for the failure to get substantive negotiations started will strengthen the Biafrans' conviction that the committee is pro-Nigerian and will probably end whatever chances there were for the committee to play a mediating role.

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Saudi Arabia: Saudi Arabia has indirectly confirmed its support of King Husayn's peace plan by firing the editor of a Saudi newspaper that attacked the plan. King Faysal's brother noted that the press attack was contrary to the Saudi Government's position that Egypt and Jordan, the states directly concerned, should work out the best possible solution to the Middle East crisis. While Faysal is keenly interested in the future of Jerusalem, he would not oppose or criticize settlements on other problems. Government policy probably runs counter to popular Saudi feelings, but there seems little doubt that Faysal will continue to control his country's foreign policy for the foreseeable future.

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